

Office of the Attorney General Paul G. Summers

Department of Commerce and Insurance Commissioner Anne Pope

NEWS RELEASE

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(<u>NOTE TO EDITORS</u>: The complaint and agreed final judgement are currently posted on the Tennessee Attorney General's website at www.attorneygeneral.state.tn.us)

Attorneys General Announce Nationwide Agreement with Bridgestone/Firestone, Inc.

Tennessee today along with 52 other jurisdictions filed a \$51.5 million nationwide settlement with Bridgestone/Firestone regarding some allegedly defective tires and misrepresentations it made during the tire replacement process and in the promotion of the allegedly defective tires. Bridgestone/Firestone has denied wrongdoing under the settlement terms.

"This agreement provides greater protection for consumers who purchase Bridgestone/Firestone tires," said Tennessee Attorney General Paul G. Summers, who has been the lead attorney general in the states investigating Bridgestone/Firestone. "We believe it will enhance safety while increasing the information a consumer needs before buying tires. We appreciate Bridgestone/Firestone working cooperatively to resolve the problems."

The agreement resolves numerous consumer protection claims involving alleged misrepresentations regarding particular tires that had high rates of separations and alleged

misrepresentations made during the company's tire replacement process.

The tires involved in the agreement include the tires from three separate tire replacement programs including the first recall on August, 2000 which included all P235/75 R15 Firestone Radial ATX, all P235/75 R15 Firestone Radial ATXII, and the P235/75 R15 Firestone Wilderness AT tires manufactured at the defendant's Decatur, Illinois plant. Other tires included were involved in the Customer Satisfaction Program announced on September 12, 2000 (list attached). Also included were the following tires announced during a recall on Oct. 4, 2001: all Firestone Wilderness AT tires in the P235/75R15 and P255/70R16 sizes which were produced before May, 1998 and used as original equipment on Ford Explorers and Mercury Mountaineers for model years 1995 through 1998.

Among other provisions, the settlement provides for each state including the District of Columbia, Puerto Rico and the Virgin Islands to receive \$500,000. Bridgestone/Firestone has already spent \$450 million on consumer restitution. Under the agreement, the company will devote approximately \$10 million more to restitution and \$5 million to be devoted to a public service announcement campaign and they are paying the costs of the investigation to the states.

Restitution provisions include the opportunity for consumers who were denied refunds under the Voluntary Safety Tire Recall Program and the Customer Satisfaction Program to have a reconsideration of their denied refund. The consumer also has the right to have the request be reviewed by an independent arbitrator at no cost to the consumer if the company denies the claim.

Under the permanent injunction provisions, the company may not misrepresent the safety or safety characteristics of any tire or tread pattern or the characteristics, manufacturer or appropriate uses of a tire. The company must be able to substantiate with competent and reliable scientific evidence any specific claims of tire safety, performance or durability and may not make misrepresentations during a recall or customer satisfaction program. Among other provision, Bridgestone/Firestone may not provide or facilitate inconsistent information to consumers about tire pressure or misrepresent or retroactively change any guarantee or warranty.

Also under the agreement, Bridgestone/Firestone will provide detailed safety consumer information to consumers at the time of delivering tires including information about: proper tire maintenance, load capacity, air pressure; proper tire repair, and warranty information

"This settlement shows Tennessee consumers have a voice that is substantial and active," said Dave McCollum, Director for Tennessee's Consumer Affairs Division. "By coming forward with their concerns, it allowed the State to take protective action." Consumers with questions or concerns regarding consumer issues, can contact the Tennessee Division of Consumer Affairs at 1-800-342-8385 or visit www.state.tn.us/consumer.

Those states working on the Bridgestone/Firestone executive committee of the multi-state working group led by Tennessee included Texas, Connecticut, Florida. Wisconsin, Illinois and Georgia.